

A G R E E M E N T

WHEREAS, ATARI, INC., a corporation having a principal place of business at 2962 Scott Blvd., Santa Clara, California, has developed certain innovative equipment primarily useful in the form of video amusement machines and devices;

WHEREAS, MIDWAY MANUFACTURING COMPANY of 3750 North River Rd., Schiller Park, Illinois, is in the business of manufacture and sale of amusement machines and devices; and

WHEREAS, MIDWAY and ATARI are desirous of working together and formalizing their relationship.

NOW, THEREFORE, AND NOTWITHSTANDING any prior agreement or understanding, it is agreed as follows:

1. For two years from the date noted below, ATARI shall disclose sufficient technology to MIDWAY to enable MIDWAY to manufacture, use or sell a complete amusement device or machine of the type and style now known as the Syzygy Model VP-1, (but not its associated trademark "Pong"), and shall license MIDWAY under any patent or application owned or controlled by ATARI with respect to such machine, hereinafter referred to as Licensed Unit.

2. For two years from the date noted below, ATARI shall further license MIDWAY under any patent or application owned or controlled by ATARI to make, use or sell that certain amusement device or machine of the type and style now known as the Syzygy Model VP-2, hereinafter referred to as Licensed Unit.

3. The licenses granted in paragraphs 1 and 2 above shall be limited solely to the aforementioned Licensed Units and shall not be employed in the manufacture, sale or use of any other machine by MIDWAY (or any other person or entity) without the express written consent of an officer of ATARI.

1020 Dep. Ex. No. *2* M.
Date: *6/25/74*
R. Officer: *[Signature]*

4. MIDWAY agrees and warrants to retain in strict confidence all technical and other confidential information disclosed to it by or for ATARI and shall disclose any such information only to a responsible employee of MIDWAY having a genuine need to know for the purpose of making, using or selling Licensed Units noted in paragraphs 1 and 2 above under this agreement.

5. MIDWAY shall reimburse ATARI on a per diem basis at the rate of One Hundred Sixty Dollars (\$160) per day plus transportation and housing for the services of an engineer supplied by ATARI to assist in providing the Licensed Technology referred to in paragraph 1 above. The duration of attendance in Illinois of any given engineer shall not extend for a period longer than two weeks at a time unless requested by the engineer.

6. For each Licensed Unit under paragraph 1 above made, used or sold by or for MIDWAY during the period ending two years from the date hereof, as noted below, MIDWAY shall pay ATARI Thirty-one Dollars (\$31.00), payment to be made quarterly starting with the close of the first calendar quarter following the date below noted.

7. For each Licensed Unit under paragraph 2 above, MIDWAY shall pay ATARI in accordance with the previous agreement established between ATARI and BALLY and dated July 1, 1972.

8. The agreement shall be construed in accordance with the substantive law of Illinois.

IN WITNESS WHEREOF, the parties hereto, by their
respective duly authorized representatives, have executed
this Agreement, effective as of the year and date noted below.

MIDWAY MANUFACTURING COMPANY

By 15/
George Blahuta,
Its Chief Electronic Engineer

By direction of Henry Ross, President

ATARI, INC.

By [Signature]
Its President

DATE: 2/22/73